Amendments to the Claims:

This listing of claims will replace all prior versions, and listings of claims in the application:

Listing of Claims:

Claim 1. (currently cmended) A method ~~for determining two or more incentives to apply to a transaction, the method~~ comprising:

determining a plurality of incentives, using a distribution channel, that are eligible for application to ~~the~~ a transaction~~using a distribution channel~~, the eligibility of each of the plurality of incentives is based on at least one product in the transaction, wherein ~~the at least one~~ each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier in the transaction, wherein the product identifier is a stock keeping unit (SKU);

determining, using the distribution channel, two or more incentives from the plurality of incentives to apply to the transaction ~~using the distribution channel~~, wherein determining the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is redeemable in the transaction with another incentive; and

applying, using the distribution channel, the determined two or more incentives to the transaction ~~using the distribution channel~~,

wherein the distribution channel operates in an offline manner while determining the plurality of incentives, determining the two or more incentives, and applying the determined two or more incentives to the transaction.

Claim 2. (canceled)

Claim 3. (original) The method of claim 1, further comprising:

communicating with a portable device to determine portable device information;

wherein determining the plurality of incentives comprises using the portable device information to determine the plurality of incentives eligible for application to the transaction.

Claim 4. (previously presented) The method of claim 3, wherein determining the two or more incentives using the distribution channel also comprises using the determined portable device information to determine the two or more incentives.

Claim 5. (original) The method of claim 3, wherein using the determined portable device information comprises comparing the portable device information with information associated with the plurality of incentives to determine the plurality of incentives.

Claim 6. (previously presented) The method of claim 3, further comprising updating the portable device information in the portable device to indicate that the determined two or more incentives have been applied to the transaction.

Claims 7.-8. (canceled)

Claim 9. (currently amended) The method of claim [[7]] 1, wherein determining the two or more incentives using the distribution channel comprises comparing the information for applying the determined two or more incentives with transaction details for the transaction to determine the two or more incentives.

Claim 10. (previously presented) The method of claim 1, further comprising calculating a total value for the transaction using the distribution channel, wherein a collective value of the two or more incentives when applied is equal to or less than the total value.

Claim 11. (previously presented) The method of claim 10, wherein applying the determined two or more incentives using the distribution channel comprises calculating a new

total value based on the total value for the transaction less the value of the two or more incentives.

Claim 12. (currently amended) A ~~method for managing incentives in connection with a loyalty transaction, the method~~ comprising:

determining, using a distribution channel, a plurality of incentives that are eligible for ~~the~~ a loyalty transaction ~~using a distribution channel~~, the eligibility of each of the plurality of incentives is determined based on at least one product in the transaction, wherein ~~the at least one~~ each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier, wherein the product identifier is a stock keeping unit;

calculating an incentive value for each of the plurality of incentives using the distribution channel;

determining, using the distribution channel, two or more incentives from the plurality of incentives to apply to the loyalty transaction based on the calculated incentive values for each of the plurality of incentives ~~using the distribution channel~~, wherein determining the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive; and

applying, using the distribution channel, the determined two or more incentives to the loyalty transaction ~~using the distribution channel~~,

wherein the distribution channel operates in an offline manner while determining the plurality of incentives, calculating the incentive value, determining the two or more incentives, and applying the determined two or more incentives to the transaction.

Claim 13. (canceled)

Claim 14. (previously presented) The method of claim 12, wherein determining two or more incentives using the distribution channel comprises:

determining a highest incentive value from the calculated incentive values; and

wherein applying the determined two or more incentives comprises applying an incentive with the highest incentive value.

Claim 15. (previously presented) The method of claim 14, further comprising:

determining if the incentive with the highest incentive value allows the incentive to be combined with other incentives using the distribution channel; and

if the incentive does allow for combining, determining another incentive to apply to the loyalty transaction in addition to the incentive with the highest value using the distribution channel.

Claim 16. (previously presented) The method of claim 12, further comprising:

calculating a total value for the loyalty transaction using the distribution channel, wherein a collective value of the two or more incentives is equal to or less than the calculated total value.

Claim 17. (previously presented) The method of claim 16, wherein applying the determined two or more incentives using the distribution channel comprises calculating a new total value from the total value based on the determined two or more incentives.

Claim 18. (previously presented) The method of claim 17, further comprising outputting the new total value using the distribution channel.

Claim 19. (previously presented) The method of claim 12, further comprising:

communicating with a portable device to determine portable device information;

wherein determining the plurality of incentives also comprises using the portable device information to determine the plurality of incentives that are eligible for the loyalty transaction.

Claim 20. (previously presented) The method of claim 19, further comprising updating portable device information in the portable device to indicate that the two or more incentives have been applied to the loyalty transaction.

Claim 21. (currently amended) A method ~~for determining two or more incentives to apply to a loyalty transaction, the method~~ comprising:

communicating with a portable device to conduct ~~the~~ <u>a</u> loyalty transaction, the loyalty transaction involving at least one product having a product identifier;

determining portable device information for the portable device;

determining a plurality of incentives that are eligible for the loyalty transaction, the eligible incentives determined based on the product identifier and the portable device information, wherein at least two of the plurality of incentives are determined using the same product identifier, wherein the product identifier is a stock keeping unit;

determining two or more incentives from the plurality of incentives to apply to the loyalty transaction<u>, wherein determining the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive</u>; and

applying the determined two or more incentives to the loyalty transaction,

wherein the distribution channel operates in an offline manner while determining the plurality of incentives, determining the two or more incentives, and applying the determined two or more incentives to the transaction.

Claims 22.-23. (canceled)

Claim 24. (currently amended) The method of claim [[22]] <u>21</u>, wherein the information for applying comprises information indicating that an incentive having a nearest expiration date is to be applied.

Claim 25. (currently amended) The method of claim [[22]] 21, wherein the information for applying comprises information indicating that a user preference is to be used to determine how to apply the two or more incentives.

Claim 26. (currently amended) The method of claim [[22]] 21, wherein determining the two or more incentives comprises comparing the information for applying with transaction details for the loyalty transaction to determine the two or more incentives.

Claim 27. (previously presented) The method of claim 21, further comprising calculating a total value for the loyalty transaction, wherein a collective value of the two or more incentives when applied is equal to or less than the total value.

Claim 28. (previously presented) The method of claim 27, wherein applying the determined two or more incentives comprises calculating a new total value for the loyalty transaction based on the two or more incentives.

Claim 29. (previously presented) The method of claim 21, further comprising updating information in the portable device to indicate that the two or more incentives have been applied to the transaction.

Claims 30. - 41. (Canceled).

Claim 42. (currently amended) A device for determining two or more incentives to apply to a loyalty transaction, the device comprising:

a communicator configured to receive a request to process a loyalty transaction involving at least one product associated with a product identifier;

a program determiner configured to determine a plurality of incentives that are eligible for application to the loyalty transaction, the eligibility of each of the plurality of incentives is based on at least one product identifier in the loyalty transaction, wherein each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the

same product identifier in the loyalty transaction, wherein the product identifier is a stock keeping unit;

an incentive selector configured to select two or more incentives from the plurality of incentives to apply to the loyalty transaction, wherein the selection of the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive; and

an incentive applier configured to apply the determined two or more incentives to the loyalty transaction,

wherein the device comprises computer hardware, and

wherein the device applies the two or more incentives to the loyalty transaction in an offline manner.

Claim 43. (previously presented) The device of claim 42, wherein the communicator is configured to communicate with a portable device to determine portable device information, the portable device information useable to determine the plurality of incentives or the selected two or more incentives.

Claim 44. (previously presented) The device of claim 42, wherein the communicator is configured to determine transaction details, the transaction details useable to determine the plurality of incentives or the selected two or more incentives.

Claim 45. (previously presented) The device of claim 42, further comprising an output configured to output a new total for the loyalty transaction based on the applied two or more incentives.

Claim 46. (previously presented) The device of claim 42, further comprising a database configured to store information for the plurality of loyalty programs, the information useable to determine the plurality of incentives or the selected two or more incentives.

Claim 47. (previously presented) The device of claim 42, wherein the communicator is configured to cause update information for the loyalty transaction to be written to a portable device.

Claim 48. (currently amended) A system for determining two or more incentives to apply to a loyalty transaction, the system comprising:

one or more portable devices, each portable device including portable device information; and

one or more distribution channels, at least one distribution channel comprising:

a communicator configured to communicate with a portable device in the one or more portable devices for a loyalty transaction involving at least one product associated with a product identifier and to determine portable device information associated with the portable device;

an incentive selector configured to determine two or more incentives from a plurality of incentives associated with the at least one product to apply to the loyalty transaction, wherein each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, and the two or more incentives determined based on at least one product identifier and the portable device information, wherein at least two of the plurality of incentives are determined using the same product identifier, wherein the product identifier is a stock keeping unit, and wherein determining the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive; and

an incentive applier configured to apply the determined two or more incentives to the loyalty transaction,

wherein the distribution channel operates in an offline manner while determining the two or more incentives and applying the determined two or more incentives to the transaction.

Claim 49. (original) The system of claim 48, wherein the at least one distribution channel further comprises a program determiner configured to determine the plurality of incentives associated with the at least one product.

Claim 50. (previously presented) The system of claim 48, further comprising a host configured to download information relating to the plurality of incentives to at least one distribution channel, wherein the information is useable to determine the two or more incentives.

Claim 51. (original) The system of claim 50, wherein the information relating to the plurality of incentives comprises at least one of a rule based on a monetary value, a ruled based on the at least one product and a user selection, a rule based on an expiration date, and a rule based on if an incentive in the plurality of incentives is combinable.

Claim 52. (previously presented) The method of claim 1, wherein the determined two or more incentives have a highest redemption value.

Claims 53. - 59. (canceled).

Claim 60. (previously presented) The method of claim 1, wherein determining using the distribution channel two or more incentives from the plurality of incentives to apply to the transaction comprises:
determining selection information; and
determining the two or more incentives using the selection information.

Claim 61. (previously presented) The method of claim 60, wherein the selection information comprises monetary values.

Claim 62. (previously presented) The method of claim 60, wherein the selection information comprises expiration dates.

Claim 63. (previously presented) The method of claim 1, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claim 64. (previously presented) The method of claim 12, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claim 65. (previously presented) The method of claim 21, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claims 66.-67. (canceled).

Claim 68. (previously presented) The device of claim 42, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claim 69. (previously presented) The system of claim 48, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claims 70. – 75. (canceled).

Claim 76. (previously presented) The method of claim 3 wherein the portable device is a first phone and wherein the distribution channel comprises a second phone.

Claim 77. (previously presented) The method of claim 1 wherein the distribution channel comprises a physical point of sale device or a mobile device.

Claim 78. (previously presented) The method of claim 12 wherein the distribution channel comprises a physical point of sale device or a mobile device.

Claim 79. (previously presented) The method of claim 21 wherein the distribution channel comprises a physical point of sale device or a mobile device.

Claim 80. (canceled)

Claim 81. (new) The method of claim 1 wherein the applying the determined two or more incentives to the transaction applies the two or more incentives to the same product.

Claim 82. (new) The method of 12 wherein the applying the determined two or more incentives to the transaction applies the two or more incentives to the same product.